

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE**

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March 27, 2009

MEMORANDUM FOR: HCD Customers

THROUGH: Lynn L. Jacobs
Director

FROM: Chris Westlake
Deputy Director

SUBJECT: Pooled Money Investment Board Actions

HCD Customers:

As many of you may have heard, at the Pooled Money Investment Board (PMIB) meeting last week, the Treasurer's office announced the potential sale of \$4 billion in tax exempt bonds after enacting a freeze on disbursements to projects on December 17, 2008. As of Tuesday, March 24th, State Treasurer Lockyer has sold \$6.54 billion in state general obligation tax exempt bonds. This far surpassed his original goal.

This is very encouraging news for HCD. The response to the bond sales could mean that many of the approximately 800 projects originally affected by the freeze may now be able to receive their funding earlier than originally projected. At this time, HCD does not know how much, if any, of the bond proceeds will be allocated to Proposition 46 and 1C projects, but the Department is working with the Treasurer's Office and the Department of Finance.

HCD is excited about the prospect of getting funding moving again so that construction can get started and, in some cases, completed. Housing is a key component of the Governor's overall economic development strategy for California. Funding for housing will help stem the foreclosure crisis, develop affordable housing for people in need and create tens of thousands of jobs throughout the state.

As soon as we have additional information, we will be posting it on our website, www.hcd.ca.gov and sending e-mail blasts to our stakeholders. If you have additional questions, please contact me at 916-322-1560.

Thank you.